

McDonald's Corporation - Consolidated

Operating Income Growth Excluding Impairment and Other Charges (Credits), Net

Constant Currency

(Dollars in millions)

	<u>YTD Sept 2009</u>	<u>YTD Sept 2008</u>	<u>Growth Rate in Constant Currency</u>
Operating Income - As Reported	\$ 5,014.7	\$ 4,940.7	
Impairment and Other Charges (Credits), Net	0.9	1.0	
Currency Impact on Operating Income	388.4		
Currency Impact on Impairment and Other Charges (Credits), Net	0.1		
Adjusted Operating Income	<u>\$ 5,404.1</u>	<u>\$ 4,941.7</u>	9.4%

	<u>YTD Dec 2008</u>	<u>YTD Dec 2007</u>	<u>Growth Rate in Constant Currency</u>
Operating Income - As Reported	\$ 6,442.9	\$ 3,879.0	
Impairment and Other Charges (Credits), Net	6.0	1,670.3	
Currency Impact on Operating Income	(163.4)		
Adjusted Operating Income	<u>\$ 6,285.5</u>	<u>\$ 5,549.3</u>	13.3%

	<u>YTD Dec 2007</u>	<u>YTD Dec 2006</u>	<u>Growth Rate in Constant Currency</u>
Operating Income - As Reported	\$ 3,879.0	\$ 4,433.0	
Impairment and Other Charges (Credits), Net	1,670.3	134.2	
Currency Impact on Operating Income	(230.1)		
Currency Impact on Impairment and Other Charges (Credits), Net	(1.6)		
Adjusted Operating Income	<u>\$ 5,317.6</u>	<u>\$ 4,567.2</u>	16.4%

McDonald's Corporation - Consolidated
Adjusted One-Year ROIIC Calculation
(Return on Incremental Invested Capital)

(Dollars in Millions)

	TTM September 2009	TTM September 2008	Incremental Change
Numerator:			
Operating income	\$ 6,516.8	\$ 6,295.3	\$ 221.5
Depreciation and amortization	1,176.4	1,232.5	(56.1)
Latam transaction ⁽¹⁾	-	0.7	(0.7)
Currency translation ⁽²⁾			580.0
Incremental adjusted operating income plus depreciation and amortization (at constant foreign exchange rates)			744.7
Effect of adjustments:			
Impairment and other charges ⁽³⁾	5.9	4.0	1.9
Currency translation on impairment and other charges ⁽²⁾			2.5
Incremental adjusted operating income plus depreciation and amortization, net (at constant foreign exchange rates)			\$ 749.1
Denominator:			
Weighted average cash used for investing activities ⁽⁴⁾			\$ 1,713.3
Weighted average adjustments to cash used for investing activities ⁽⁴⁾			142.5
Currency translation ⁽²⁾			10.5
Weighted average adjusted cash used for investing activities (at constant foreign exchange rates)			1,866.3
Effect of adjustments:			
Weighted average adjusted cash used for investing activities related to impairment and other charges ^{(3) (4)}			70.5
Weighted average adjusted cash used for investing activities, net (at constant foreign exchange rates)			\$ 1,936.8

One-year ROIIC, adjusted ⁽⁵⁾ **38.7%**

- (1) Represents impairment due to the Company's sale of its business in Latin America and Caribbean to a developmental licensee organization. While the Company has converted certain other markets to a developmental license arrangement, management believes the Latam transaction and the associated charge are not indicative of ongoing operations due to the size and scope of the transaction. Management believes that the adjusted operating income results better reflects the underlying business trends relevant to the periods presented.
- (2) Represents the effect of foreign currency translation by translating results at an average exchange rate for the periods measured.
- (3) Represents an adjustment to eliminate the effect of impairment and other charges described in the applicable Form 10-K for the years ended December 31, 2008 and 2007, and the Form 10-Q for the nine months ended September 30, 2009, 2008, and 2007.
- (4) Represents one-year weighted average cash used for investing activities, determined by applying weightings below to the adjusted cash used for investing activities, net for each quarter in the two-year period ended September 30, 2009. Management believes that weighting cash used for investing activities, net provides a more accurate reflection of the relationship between its investments and returns than a simple average.

	4Q 2007	Full Year 2008	1Q, 2Q, 3Q 2009
Cash used for investing activities	\$ 758.7	\$ 1,624.7	\$ 1,112.8
Less: Cash generated by investing activities related to Latam transaction	6.5	-	-
Less: Cash generated by investing activities related to Pret A Manger transaction	-	(229.4)	-
Adjusted cash used for investing activities	\$ 752.2	\$ 1,854.1	\$ 1,112.8
Less: Cash generated by activities related to impairment & other charges	(37.6)	(18.9)	(145.0)
Adjusted cash used for investing activities, net	\$ 789.8	\$ 1,873.0	\$ 1,257.8

	2007	2008	2009
<i>AS A PERCENT</i>			
Quarters ended March 31		37.5%	62.5%
Quarters ended June 30		62.5%	37.5%
Quarters ended September 30		87.5%	12.5%
Quarters ended December 31	12.5%	87.5%	

(5) Note: One-year ROIIC excluding the effect of adjustments would have been 39.9%.

**McDonald's Corporation - Consolidated
Adjusted One-Year ROIIC Calculation
(Return on Incremental Invested Capital)**

(Dollars in Millions)

	December 2008	December 2007	Incremental Change
Numerator:			
Operating income ⁽¹⁾	\$ 6,442.9	\$ 3,879.0	\$ 2,563.9
Depreciation and amortization ⁽¹⁾	1,207.8	1,192.8	15.0
Latam transaction ⁽²⁾	-	1,665.3	(1,665.3)
Currency translation ⁽³⁾			(180.7)
Incremental adjusted operating income plus depreciation and amortization (at constant foreign exchange rates)			732.9
Effect of adjustments:			
Impairment and other charges ⁽⁴⁾	6.0	5.0	1.0
Currency translation on impairment and other charges ⁽³⁾			1.0
Incremental adjusted operating income plus depreciation and amortization, net (at constant foreign exchange rates)			\$ 734.9
Denominator:			
Weighted average cash used for investing activities ⁽⁵⁾			\$ 1,247.6
Weighted average adjustments to cash used for investing activities ⁽⁵⁾			664.3
Currency translation ⁽³⁾			(25.9)
Weighted average adjusted cash used for investing activities (at constant foreign exchange rates)			1,886.0
Effect of adjustments:			
Weighted average adjusted cash used for investing activities related to impairment and other charges ^{(4) (5)}			45.4
Weighted average adjusted cash used for investing activities, net (at constant foreign exchange rates)			\$ 1,931.4
One-year ROIIC, adjusted ⁽⁶⁾			38.0%

(1) Represents results from continuing operations, reflecting reclassification of Boston Market results to discontinued operations.

(2) Represents impairment due to the Company's sale of its business in Latin America and Caribbean to a developmental licensee organization. While the Company has converted certain other markets to a developmental license arrangement, management believes the Latam transaction and the associated charge are not indicative of ongoing operations due to size and scope of the transaction. Management believes that the adjusted operating income results better reflects the underlying business trends relevant to the periods presented.

(3) Represents the effect of foreign currency translation by translating results at an average exchange rate for the periods measured.

(4) Represents an adjustment to eliminate the effect of impairment and other charges described in the applicable Form 10-K for the years ended December 31, 2008 and 2007.

(5) Represents one-year weighted average cash used for investing activities, determined by applying weightings below to the adjusted cash used for investing activities, net for each quarter in the two-year period ended December 31, 2008. Management believes that weighting cash used for investing activities, net provides a more accurate reflection of the relationship between its investment and returns than a simple average.

	Full Year 2007	Full Year 2008
Cash used for investing activities	\$ 1,150.1	\$ 1,624.7
Less: Cash generated by investing activities related to Boston Market	(184.3)	-
Less: Cash generated by investing activities related to Latam transaction	(647.5)	-
Less: Cash generated by investing activities related to Pret A Manger transaction	-	(229.4)
Adjusted cash used for investing activities	\$ 1,981.9	\$ 1,854.1
Less: Cash generated by activities related to impairment & other charges	(41.5)	(18.9)
Adjusted cash used for investing activities, net	\$ 2,023.4	\$ 1,873.0

	2007	2008
<i>AS A PERCENT</i>		
Quarters ended March 31	12.5%	87.5%
Quarters ended June 30	37.5%	62.5%
Quarters ended September 30	62.5%	37.5%
Quarters ended December 31	87.5%	12.5%

(6) Note: One-year ROIIC excluding the effect of adjustments would have been 38.9%.

**McDonald's Corporation - Consolidated
Adjusted One-Year ROIC Calculation
(Return on Incremental Invested Capital)**

(Dollars in Millions)

	December 2007	December 2006	Incremental Change
Numerator:			
Operating income ⁽¹⁾	\$ 3,879.0	\$ 4,433.0	\$ (554.0)
Depreciation and amortization ⁽¹⁾	1,192.8	1,190.9	1.9
Latam transaction ⁽²⁾	1,665.3	-	1,665.3
Currency translation ⁽³⁾			(257.0)
Incremental adjusted operating income plus depreciation and amortization (at constant foreign exchange rates)			856.2
Effect of adjustments:			
Impairment and other charges ⁽⁴⁾	5.0	134.2	(129.2)
Currency translation on impairment and other charges ⁽³⁾			(9.1)
Incremental adjusted operating income plus depreciation and amortization, net (at constant foreign exchange rates)			\$ 717.9
Denominator:			
Weighted average cash used for investing activities ⁽⁵⁾			\$ 1,403.1
Weighted average adjustments to cash used for investing activities ⁽⁵⁾			311.8
Currency translation ⁽³⁾			1.2
Weighted average adjusted cash used for investing activities (at constant foreign exchange rates)			1,716.1
Effect of adjustments:			
Weighted average adjusted cash used for investing activities related to impairment and other charges ^{(4) (5)}			24.6
Weighted average adjusted cash used for investing activities, net (at constant foreign exchange rates)			\$ 1,740.7
One-year ROIC, adjusted ⁽⁶⁾			<u>41.2%</u>

(1) Represents results from continuing operations, reflecting reclassification of Chipotle and Boston Market results to discontinued operations.

(2) Represents impairment due to the Company's sale of its business in Latin America and Caribbean to a developmental licensee organization. While the Company has converted certain other markets to a developmental license arrangement, management believes the Latam transaction and the associated charge are not indicative of ongoing operations due to size and scope of the transaction. Management believes that the adjusted operating income results better reflects the underlying business trends relevant to the periods presented.

(3) Represents the effect of foreign currency translation by translating results at an average exchange rate for the periods measured.

(4) Represents an adjustment to eliminate the effect of impairment and other charges described in the applicable Form 10-K for the years ended December 31, 2007 and 2006.

(5) Represents one-year weighted average cash used for investing activities, determined by applying weightings below to the adjusted cash used for investing activities, net for each quarter in the two-year period ended December 31, 2007. Management believes that weighting cash used for investing activities, net provides a more accurate reflection of the relationship between its investment and returns than a simple average.

	Full Year 2006	Full Year 2007
Cash used for investing activities	\$ 1,274.1	\$ 1,150.1
Less: Cash generated by investing activities related to Boston Market	(203.8)	(184.3)
Less: Cash generated by investing activities related to Latam transaction	-	(647.5)
Less: Cash generated by investing activities related to Pret A Manger transaction	-	-
Adjusted cash used for investing activities	\$ 1,477.9	\$ 1,981.9
Less: Cash generated by activities related to impairment & other charges	(22.1)	(41.5)
Adjusted cash used for investing activities, net	\$ 1,500.0	\$ 2,023.4

	2007	2008
<i>AS A PERCENT</i>		
Quarters ended March 31	12.5%	87.5%
Quarters ended June 30	37.5%	62.5%
Quarters ended September 30	62.5%	37.5%
Quarters ended December 31	87.5%	12.5%

(6) Note: One-year ROIC excluding the effect of adjustments would have been 49.9%.

McDonald's Corporation**Operating Income Growth Excluding Impairment and Other Charges (Credits), Net**Constant Currency
(Dollars in millions)**McDonald's Consolidated**

	YTD Sept 2009	YTD Sept 2008	\$ Growth	% Growth
Operating Income - As Reported	\$ 5,014.7	\$ 4,940.7	\$74	1%
Impairment and Other Charges (Credits), Net	0.9	1.0		
Operating Income - Excluding Impairment and Other Charges (Credits), Net	5,015.6	4,941.7	\$74	1%
Currency Impact on Operating Income	388.4			
Currency Impact on Impairment and Other Charges (Credits), Net	0.1			
Adjusted Operating Income	<u>\$ 5,404.1</u>	<u>\$ 4,941.7</u>	<u>\$462</u>	<u>9%</u>

United States

	YTD Sept 2009	YTD Sept 2008	\$ Growth	% Growth
Operating Income - As Reported	\$ 2,426.0	\$ 2,294.3	\$132	6%
Impairment and Other Charges (Credits), Net	-			
Operating Income - Excluding Impairment and Other Charges (Credits), Net	2,426.0	2,294.3	\$132	6%
Currency Impact on Operating Income	-			
Adjusted Operating Income	<u>\$ 2,426.0</u>	<u>\$ 2,294.3</u>	<u>\$132</u>	<u>6%</u>

Europe

	YTD Sept 2009	YTD Sept 2008	\$ Growth	% Growth
Operating Income - As Reported	\$ 1,879.7	\$ 2,018.1	\$(138)	-7%
Impairment and Other Charges (Credits), Net	4.2	1.0		
Operating Income - Excluding Impairment and Other Charges (Credits), Net	1,883.9	2,019.1	\$(135)	-7%
Currency Impact on Operating Income	289.2			
Currency Impact on Impairment and Other Charges (Credits), Net	0.9			
Adjusted Operating Income	<u>\$ 2,174.0</u>	<u>\$ 2,019.1</u>	<u>\$155</u>	<u>8%</u>

APMEA

	YTD Sept 2009	YTD Sept 2008	\$ Growth	% Growth
Operating Income - As Reported	\$ 723.4	\$ 642.9	\$81	13%
Impairment and Other Charges (Credits), Net	(3.3)			
Operating Income - Excluding Impairment and Other Charges (Credits), Net	720.1	642.9	\$77	12%
Currency Impact on Operating Income	56.6			
Currency Impact on Impairment and Other Charges (Credits), Net	(0.8)			
Adjusted Operating Income	<u>\$ 775.9</u>	<u>\$ 642.9</u>	<u>\$133</u>	<u>21%</u>

Other Countries and Corporate

	YTD Sept 2009	YTD Sept 2008	\$ Growth	% Growth
Operating Income - As Reported	\$ (14.4)	\$ (14.6)	\$0	-1%
Impairment and Other Charges (Credits), Net	-			
Operating Income - Excluding Impairment and Other Charges (Credits), Net	(14.4)	(14.6)	\$0	-1%
Currency Impact on Operating Income	42.6			
Adjusted Operating Income	<u>\$ 28.2</u>	<u>\$ (14.6)</u>	<u>\$42</u>	<u>n/m</u>

Operating Income excluding Impairment and Other Charges
Combined Operating Margin % excluding Impairment and Other Charges
(\$ In Millions)

Consolidated						
Years ended December 31,	YTD 2009	2008	2007	2006	2005	2004
Operating income	5,014.7	6,442.9	3,879.0	4,433.0	3,984.1	3,553.7
Impairment and other charges	0.9	6.0	1,670.3	134.2	(28.4)	251.4
Operating income excluding impairment and other charges	5,015.6	6,448.9	5,549.3	4,567.2	3,955.7	3,805.1
Revenue	16,771.3	23,522.4	22,786.6	20,895.2	19,117.3	17,889.3
Combined Operating Margin % (excluding Impairment and Other Charges)	29.9	27.4	24.4	21.9	20.7	21.3

US						
Years ended December 31,	YTD 2009	2008	2007	2006	2005	2004
Operating income	2,426.0	3,059.7	2,841.9	2,657.0	2,421.6	2,181.4
Impairment and other charges	-	-	-	-	-	79.8
Operating income excluding impairment and other charges	2,426.0	3,059.7	2,841.9	2,657.0	2,421.6	2,261.2
Revenue	5,970.3	8,078.3	7,905.5	7,464.1	6,955.1	6,525.6
Combined Operating Margin % (excluding Impairment and Other Charges)	40.6	37.9	35.9	35.6	34.8	34.7

Europe						
Years ended December 31,	YTD 2009	2008	2007	2006	2005	2004
Operating income	1,879.7	2,608.0	2,125.4	1,610.2	1,449.3	1,471.1
Impairment and other charges	4.2	6.0	(10.7)	61.9	4.0	27.1
Operating income excluding impairment and other charges	1,883.9	2,614.0	2,114.7	1,672.1	1,453.3	1,498.2
Revenue	6,753.9	9,922.9	8,926.2	7,637.7	7,071.8	6,736.3
Combined Operating Margin % (excluding Impairment and Other Charges)	27.9	26.3	23.7	21.9	20.6	22.2

APMEA						
Years ended December 31,	YTD 2009	2008	2007	2006	2005	2004
Operating income	723.4	818.8	616.3	364.4	345.1	200.4
Impairment and other charges	(3.3)	-	-	48.2	(9.1)	138.7
Operating income excluding impairment and other charges	720.1	818.8	616.3	412.6	336.0	339.1
Revenue	3,182.9	4,230.8	3,598.9	3,053.5	2,815.8	2,721.3
Combined Operating Margin % (excluding Impairment and Other Charges)	22.6	19.4	17.1	13.5	11.9	12.5

Selling, General & Administrative Expense
(\$ In Millions)

	YTD 2009	2008	2007	2006	2005	2004
2004 SG&A expense as reported in 2006 Form 10-K						1,939.1
SG&A expense subsequently reclassified to discontinued operations						(57.4)
SG&A expense	1,578.4	2,355.5	2,367.0	2,295.7	2,118.4	1,881.7
2004 pro forma share-based compensation expense ⁽¹⁾						241.2
Adjusted SG&A expense	1,578.4	2,355.5	2,367.0	2,295.7	2,118.4	2,122.9
Revenue	16,771.3	23,522.4	22,786.6	20,895.2	19,117.3	17,889.3
Adjusted SG&A expense as a % of revenue	9.4	10.0	10.4	11.0	11.1	11.9

(1) On January 1, 2005, the Company adopted SFAS No. 123(R) (FASB Accounting Standards Codification Topic 718 - Stock Compensation). This accounting standard requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Share-based compensation was included as a pro forma disclosure in the notes to the consolidated financial statements for years prior to adoption.

McDonald's Corporation - Consolidated Adjusted Return on Invested Capital (ROIC)

(Dollars in Millions)	TTM Sept. 2009	2008	2007	2006	2005	2004
Numerator:						
Operating income ⁽¹⁾	\$ 6,516.8	\$ 6,442.9	\$ 3,879.0	\$ 4,433.0	\$ 3,984.0	\$ 3,553.7
Depreciation and amortization ⁽¹⁾	1,176.4	1,207.8	1,192.8	1,190.9	1,187.6	1,150.4
SFAS No. 123(R) pro forma share-based expense ⁽²⁾	-	-	-	-	-	(241.2)
Latam transaction ⁽⁵⁾	-	-	1,665.3	-	-	-
Effect of adjustments:						
Impairment and other charges ⁽³⁾	<u>5.9</u>	<u>6.0</u>	<u>5.0</u>	<u>134.2</u>	<u>(28.4)</u>	<u>251.4</u>
Adjusted operating income plus depreciation and amortization	\$ 7,699.1	\$ 7,656.7	\$ 6,742.1	\$ 5,758.1	\$ 5,143.2	\$ 4,714.3
Denominator:						
Average gross assets ⁽⁴⁾	\$ 39,711.8	\$ 40,946.7	\$ 40,222.3	\$ 40,036.0	\$ 37,111.2	\$ 35,032.7
Latam transaction ⁽⁵⁾	-	401.6	858.5			
Effect of adjustments:						
Average cash ⁽⁶⁾	(2,219.6)	(2,344.0)	(2,715.7)	(3,753.7)	(2,154.7)	(1,162.0)
Impairment and other charges ⁽³⁾	<u>7.0</u>	<u>14.5</u>	<u>26.9</u>	<u>47.4</u>	<u>117.4</u>	<u>382.5</u>
Adjusted average gross assets	\$ 37,499.2	\$ 39,018.8	\$ 38,392.0	\$ 36,329.7	\$ 35,073.9	\$ 34,253.2
ROIC, adjusted	<u>20.5%</u>	<u>19.6%</u>	<u>17.6%</u>	<u>15.8%</u>	<u>14.7%</u>	<u>13.8%</u>

Note: ROIC using the most comparable GAAP measure would have been 19.4% for TTM Sept. 2009, 18.7% in 2008, 12.6% in 2007, 14% in 2006, 13.9% in 2005 and 12.7% in 2004 excluding effect of adjustments.

⁽¹⁾ Represents results from continuing operations, reflecting reclassification of Chipotle and Boston Market results to discontinued operations.

⁽²⁾ Represents the expense that would have been recorded if the Company had applied the fair value recognition provisions of SFAS No. 123(R) (FASB Accounting Standards Codification Topic 718 - Stock Compensation).

⁽³⁾ Represents an adjustment to eliminate the effect of impairment and other charges described in the applicable Form 10-K for each of the years ended December 31, 2004 through 2008 and Form 10-Q for the nine months ended September 30, 2009 and 2008.

⁽⁴⁾ Represents the monthly average of total assets plus accumulated depreciation and amortization excluding the assets and accumulated depreciation of discontinued operations.

⁽⁵⁾ Represents impairment due to the Company's sale of its business in Latin America and Caribbean to a developmental licensee organization. While the Company has previously converted certain other markets to a developmental license structure, management believes the Latam transaction and the associated charge are not indicative of ongoing operations due to the size and scope of the transaction. Management believes that the adjusted ROIC better reflects the underlying business trends relevant to the periods presented.

⁽⁶⁾ Represents monthly average cash.

McDonald's Corporation - Consolidated
Adjusted Three-Year ROIC Calculation
(Return on Incremental Invested Capital)

(Dollars in Millions)

	TTM September 2009	TTM September 2006	Incremental Change
Numerator:			
Operating income	\$ 6,516.8	\$ 4,244.3	\$ 2,272.5
Depreciation and amortization ⁽¹⁾	1,176.4	1,183.6	(7.2)
Currency translation ⁽²⁾			(133.7)
Incremental adjusted operating income plus depreciation and amortization (at constant foreign exchange rates)			2,131.6
Effect of adjustments:			
Impairment and other charges ⁽³⁾	5.9	147.5	(141.6)
Currency translation on impairment and other charges ⁽²⁾			(5.7)
Incremental adjusted operating income plus depreciation and amortization, net (at constant foreign exchange rates)			\$ 1,984.3
Denominator:			
Weighted average cash used for investing activities ⁽⁴⁾			\$ 4,232.4
Weighted average adjustments to cash used for investing activities ⁽⁴⁾			1,130.0
Currency translation ⁽²⁾			(35.5)
Weighted average adjusted cash used for investing activities (at constant foreign exchange rates)			5,326.9
Effect of adjustments:			
Weighted average adjusted cash used for investing activities related to impairment and other charges ^{(3) (4)}			135.8
Weighted average adjusted cash used for investing activities, net (at constant foreign exchange rates)			\$ 5,462.7

Three-year ROIC, adjusted ⁽⁵⁾ **36.3%**

(1) Represents results from continued operations.

(2) Represents the effect of foreign currency translation by translating results at an average exchange rate for the periods measured.

(3) Represents an adjustment to eliminate the effect of impairment and other charges described in the applicable Form 10-K for the year ended December 31, 2008 and 2005, and the Form 10-Q for the nine months ended September 30, 2009, 2008, 2006 and 2005. 2006 and 2005 filings have been restated to exclude Chipotle and Boston Market results included in discontinued operations.

(4) Represents three-year weighted average adjusted cash used for investing activities, determined by applying weightings below to the adjusted cash used for investing activities, net for each quarter in the four-year period ended September 30, 2009. Management believes that weighting cash used for investing activities, net provides a more accurate reflection of the relationship between its investments and returns than a simple average.

	4Q 2005	Full Year 2006	Full Year 2007	Full Year 2008	1Q, 2Q, 3Q 2009
Cash used for investing activities	\$ 686.9	\$ 1,274.1	\$ 1,150.1	\$ 1,624.7	\$ 1,112.8
Less: Cash generated by investing activities related to Boston Market and Chipotle	39.6	(203.8)	(184.3)	-	-
Less: Cash generated by investing activities related to Latam transaction	-	-	(647.5)	-	-
Less: Cash generated by investing activities related to Pret A Manger transaction	-	-	-	(229.4)	-
Adjusted cash used for investing activities	\$ 647.3	\$ 1,477.9	\$ 1,981.9	\$ 1,854.1	\$ 1,112.8
Less: Cash generated by activities related to impairment & other charges	(5.1)	(22.1)	(41.5)	(18.9)	(145.0)
Adjusted cash used for investing activities, net	\$ 652.4	\$ 1,500.0	\$ 2,023.4	\$ 1,873.0	\$ 1,257.8

<i>AS A PERCENT</i>	2005	2006	2007	2008	2009
Quarters ended March 31		37.5%	100.0%	100.0%	62.5%
Quarters ended June 30		62.5%	100.0%	100.0%	37.5%
Quarters ended September 30		87.5%	100.0%	100.0%	12.5%
Quarters ended December 31	12.5%	100.0%	100.0%	87.5%	

(5) Note: Three-year ROIC excluding the effect of adjustments would have been 40.0%.

Asia/Pacific/Middle East/Africa Adjusted Three-Year ROIIC Calculation (Return on Incremental Invested Capital)

(Dollars in Millions)

	TTM September 2009	TTM September 2006	Incremental Change
Numerator:			
Operating income	\$ 899.2	\$ 335.1	\$ 564.1
Depreciation and amortization	189.6	166.8	22.8
Currency translation ⁽¹⁾			(24.8)
Incremental adjusted operating income plus depreciation and amortization (at constant foreign exchange rates)			562.1
Effect of adjustments:			
Impairment and other charges ⁽²⁾	(3.3)	62.3	(65.6)
Currency translation on impairment and other charges ⁽¹⁾			-
Incremental adjusted operating income plus depreciation and amortization, net (at constant foreign exchange rates)			\$ 496.5
Denominator:			
Weighted average cash used for investing activities ⁽³⁾			\$ 824.8
Weighted average adjustments to cash used for investing activities ⁽³⁾			-
Currency translation ⁽¹⁾			1.5
Weighted average adjusted cash used for investing activities (at constant foreign exchange rates)			826.3
Effect of adjustments:			
Weighted average adjusted cash used for investing activities related to impairment and other charges ^{(2) (3)}			15.0
Weighted average adjusted cash used for investing activities, net (at constant foreign exchange rates)			\$ 841.3
Three-year ROIIC, adjusted ^{(4) (5)}			<u>59.0%</u>

(1) Represents the effect of foreign currency translation by translating results at an average exchange rate for the periods measured.

(2) Represents an adjustment to eliminate the effect of impairment and other charges described in the applicable Form 10-K for the year ended December 31, 2008 and 2005, and the Form 10-Q for the nine months ended September 30, 2009, 2008, 2006 and 2005.

(3) Represents three-year weighted average adjusted cash used for investing activities, determined by applying weightings below to the adjusted cash used for investing activities, net for each quarter in the four-year period ended September 30, 2009. Management believes that weighting cash used for investing activities, net provides a more accurate reflection of the relationship between its investments and returns than a simple average.

	4Q 2005	Full Year 2006	Full Year 2007	Full Year 2008	1Q, 2Q, 3Q 2009
Cash used for investing activities	\$ 95.1	\$ 212.2	\$ 264.0	\$ 337.2	\$ 197.2
	-	-	-	-	-
Adjusted cash used for investing activities	\$ 95.1	\$ 212.2	\$ 264.0	\$ 337.2	\$ 197.2
Less: Cash generated by activities related to impairment & other charges	(5.1)	(14.4)	-	-	-
Adjusted cash used for investing activities, net	\$ 100.2	\$ 226.6	\$ 264.0	\$ 337.2	\$ 197.2
<hr/>					
<i>AS A PERCENT</i>	2005	2006	2007	2008	2009
Quarters ended March 31		37.5%	100.0%	100.0%	62.5%
Quarters ended June 30		62.5%	100.0%	100.0%	37.5%
Quarters ended September 30		87.5%	100.0%	100.0%	12.5%
Quarters ended December 31	12.5%	100.0%	100.0%	87.5%	

(4) Note: Three-year ROIIC excluding the effect of adjustments would have been 68.0%.

(5) Below are selected markets' three-year ROIIC and the effect they had on the segment.

- China 36.8%, which negatively impacted the segment by 11.8%
- Australia 54.8%, which negatively impacted the segment by 1.6%

Europe

Adjusted Three-Year ROIIC Calculation

(Return on Incremental Invested Capital)

(Dollars in Millions)

	TTM September 2009	TTM September 2006	Incremental Change
Numerator:			
Operating income	\$ 2,469.6	\$ 1,542.8	\$ 926.8
Depreciation and amortization	468.3	426.9	41.4
Currency translation ⁽¹⁾			(132.7)
Incremental adjusted operating income plus depreciation and amortization (at constant foreign exchange rates)			835.5
Effect of adjustments:			
Impairment and other charges ⁽²⁾	9.2	53.3	(44.1)
Currency translation on impairment and other charges ⁽¹⁾			(2.0)
Incremental adjusted operating income plus depreciation and amortization, net (at constant foreign exchange rates)			\$ 789.4
Denominator:			
Weighted average cash used for investing activities ⁽³⁾			\$ 1,885.3
Weighted average adjustments to cash used for investing activities ⁽³⁾			-
Currency translation ⁽¹⁾			(35.8)
Weighted average adjusted cash used for investing activities (at constant foreign exchange rates)			1,849.5
Effect of adjustments:			
Weighted average adjusted cash used for investing activities related to impairment and other charges ^{(2) (3)}			60.6
Weighted average adjusted cash used for investing activities, net (at constant foreign exchange rates)			\$ 1,910.2

Three-year ROIIC, adjusted ^{(4) (5)} **41.3%**

(1) Represents the effect of foreign currency translation by translating results at an average exchange rate for the periods measured.

(2) Represents an adjustment to eliminate the effect of impairment and other charges described in the applicable Form 10-K for the year ended December 31, 2008 and 2005, and the Form 10-Q for the nine months ended September 30, 2009, 2008, 2006 and 2005.

(3) Represents three-year weighted average adjusted cash used for investing activities, determined by applying weightings below to the adjusted cash used for investing activities, net for each quarter in the four-year period ended September 30, 2009. Management believes that weighting cash used for investing activities, net provides a more accurate reflection of the relationship between its investments and returns than a simple average.

	4Q 2005	Full Year 2006	Full Year 2007	Full Year 2008	1Q, 2Q, 3Q 2009
Cash used for investing activities	\$ 200.4	\$ 412.6	\$ 577.9	\$ 790.5	\$ 602.4
Adjusted cash used for investing activities	\$ 200.4	\$ 412.6	\$ 577.9	\$ 790.5	\$ 602.4
Less: Cash generated by activities related to impairment & other charges	-	(6.6)	(41.5)	(13.8)	-
Adjusted cash used for investing activities, net	\$ 200.4	\$ 419.2	\$ 619.4	\$ 804.3	\$ 602.4

<i>AS A PERCENT</i>	2005	2006	2007	2008	2009
Quarters ended March 31		37.5%	100.0%	100.0%	62.5%
Quarters ended June 30		62.5%	100.0%	100.0%	37.5%
Quarters ended September 30		87.5%	100.0%	100.0%	12.5%
Quarters ended December 31	12.5%	100.0%	100.0%	87.5%	

(4) Note: Three-year ROIIC excluding the effect of adjustments would have been 45.2%.

(5) Below are selected markets' three-year ROIIC and the effect they had on the segment.

- France 61.8%, which positively impacted the segment by 6.7%
- Germany 23.9%, which negatively impacted the segment by 3.6%
- Russia 40.9%, which negatively impacted the segment by 0.1%

United States
Adjusted Three-Year ROIC Calculation
(Return on Incremental Invested Capital)

(Dollars in Millions)

	TTM September 2009	TTM September 2006	Incremental Change
Numerator:			
Operating income	\$ 3,191.3	\$ 2,609.4	\$ 581.9
Depreciation and amortization	414.4	398.4	16.0
Currency translation	-	-	-
Incremental adjusted operating income plus depreciation and amortization (at constant foreign exchange rates)			597.9
Effect of adjustments:			
Impairment and other charges	-	-	-
Currency translation on impairment and other charges			-
Incremental adjusted operating income plus depreciation and amortization, net (at constant foreign exchange rates)			\$ 597.9
Denominator:			
Weighted average cash used for investing activities ⁽¹⁾			\$ 2,384.2
Weighted average adjustments to cash used for investing activities ⁽¹⁾			-
Currency translation			-
Weighted average adjusted cash used for investing activities (at constant foreign exchange rates)			2,384.2
Effect of adjustments:			
Weighted average adjusted cash used for investing activities related to impairment and other charges ⁽¹⁾			-
Weighted average adjusted cash used for investing activities, net (at constant foreign exchange rates)			\$ 2,384.2

Three-year ROIC, adjusted **25.1%**

(1) Represents three-year weighted average adjusted cash used for investing activities, determined by applying weightings below to the adjusted cash used for investing activities, net for each quarter in the four-year period ended September 30, 2009. Management believes that weighting cash used for investing activities, net provides a more accurate reflection of the relationship between its investments and returns than a simple average.

	4Q 2005	Full Year 2006	Full Year 2007	Full Year 2008	1Q, 2Q, 3Q 2009
Cash used for investing activities	\$ 234.1	\$ 775.9	\$ 948.5	\$ 671.1	\$ 405.1
	-	-	-	-	-
Adjusted cash used for investing activities	\$ 234.1	\$ 775.9	\$ 948.5	\$ 671.1	\$ 405.1
Less: Cash generated by activities related to impairment & other charges	-	-	-	-	-
Adjusted cash used for investing activities, net	\$ 234.1	\$ 775.9	\$ 948.5	\$ 671.1	\$ 405.1
<i>AS A PERCENT</i>					
	2005	2006	2007	2008	2009
Quarters ended March 31		37.5%	100.0%	100.0%	62.5%
Quarters ended June 30		62.5%	100.0%	100.0%	37.5%
Quarters ended September 30		87.5%	100.0%	100.0%	12.5%
Quarters ended December 31	12.5%	100.0%	100.0%	87.5%	

United States Adjusted Return on Invested Capital (ROIC)

(Dollars in Millions)

	TTM Sept. 2009	2008	2007	2006	2005	2004
Numerator:						
Operating income	\$ 3,191.3	\$ 3,059.7	\$ 2,841.9	\$ 2,657.0	\$ 2,421.6	\$ 2,181.4
Depreciation and amortization	414.4	400.9	402.7	390.5	385.8	394.6
SFAS No. 123(R) pro forma share-based expense ⁽¹⁾	-	-	-	-	-	(68.8)
Effect of adjustments:						
Impairment and other charges ⁽²⁾	-	-	-	-	-	79.8
Adjusted operating income plus depreciation and amortization	\$ 3,605.7	\$ 3,460.6	\$ 3,244.6	\$ 3,047.5	\$ 2,807.4	\$ 2,587.0
Denominator:						
Average gross assets ⁽³⁾	\$ 14,840.3	\$ 14,497.2	\$ 13,881.2	\$ 13,218.6	\$ 12,574.9	\$ 12,296.0
Effect of adjustments:						
Average cash ⁽⁴⁾	(46.1)	(40.4)	(57.8)	(46.3)	(44.5)	(607.9)
Impairment and other charges ⁽²⁾	-	-	-	-	9.1	0.8
Adjusted average gross assets	\$ 14,794.2	\$ 14,456.8	\$ 13,823.4	\$ 13,172.3	\$ 12,539.5	\$ 11,688.9
ROIC, adjusted	<u>24.4%</u>	<u>23.9%</u>	<u>23.5%</u>	<u>23.1%</u>	<u>22.4%</u>	<u>22.1%</u>

Note: ROIC using the most comparable GAAP measure would have been 24.3% for TTM Sept. 2009, 23.9% in 2008, 23.4% in 2007, 23.1% in 2006, 22.3% in 2005 and 20.4% in 2004 excluding effect of adjustments.

⁽¹⁾ Represents the expense that would have been recorded if the Company had applied the fair value recognition provisions of SFAS No. 123(R) (FASB Accounting Standards Codification Topic 718 - Stock Compensation).

⁽²⁾ Represents an adjustment to eliminate the effect of impairment and other charges described in the applicable Form 10-K for each of the years ended December 31, 2004 through 2008 and Form 10-Q for the nine months ended September 30, 2009 and 2008.

⁽³⁾ Represents the monthly average of total assets plus accumulated depreciation and amortization.

⁽⁴⁾ Represents monthly average cash.

United States
Adjusted One-Year ROIIC Calculation
(Return on Incremental Invested Capital)

(Dollars in Millions)

	TTM September 2009	TTM September 2008	Incremental Change
Numerator:			
Operating income	\$ 3,191.3	\$ 2,982.2	\$ 209.1
Depreciation and amortization	414.4	405.2	9.2
Currency translation	-	-	-
Incremental adjusted operating income plus depreciation and amortization (at constant foreign exchange rates)			218.3
Effect of adjustments:			
Impairment and other charges	-	-	-
Currency translation on impairment and other charges			-
Incremental adjusted operating income plus depreciation and amortization, net (at constant foreign exchange rates)			\$ 218.3
Denominator:			
Weighted average cash used for investing activities ⁽¹⁾			\$ 696.8
Weighted average adjustments to cash used for investing activities ⁽¹⁾			-
Currency translation			-
Weighted average adjusted cash used for investing activities (at constant foreign exchange rates)			696.8
Effect of adjustments:			
Weighted average adjusted cash used for investing activities related to impairment and other charges ⁽¹⁾			-
Weighted average adjusted cash used for investing activities, net (at constant foreign exchange rates)			\$ 696.8
One-year ROIIC, adjusted			31.3%

(1) Represents one-year weighted average cash used for investing activities, determined by applying weightings below to the adjusted cash used for investing activities, net for each quarter in the two-year period ended September 30, 2009. Management believes that weighting cash used for investing activities, net provides a more accurate reflection of the relationship between its investments and returns than a simple average.

	4Q 2007	Full Year 2008	1Q, 2Q, 3Q 2009
Cash used for investing activities	\$ 289.4	\$ 671.1	\$ 405.1
	-	-	-
Adjusted cash used for investing activities	\$ 289.4	\$ 671.1	\$ 405.1
Less: Cash generated by activities related to impairment & other charges	-	-	-
Adjusted cash used for investing activities, net	\$ 289.4	\$ 671.1	\$ 405.1
<i>AS A PERCENT</i>			
	2007	2008	2009
Quarters ended March 31		37.5%	62.5%
Quarters ended June 30		62.5%	37.5%
Quarters ended September 30		87.5%	12.5%
Quarters ended December 31	12.5%	87.5%	